

with a more modern vessel with a double, or at least more secure hull design, to prevent leaks and spills. Additionally, we ask that the EIR evaluate a more accurate cargo metering system to better account for volumes of oil received and delivered. This would help in determining, or eliminating, a potential leak source in the event of an oil spill in the marine environment. These comments also apply to NOP Section 6.1.6 Hazards and Hazardous Materials.

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5. The Ellwood Marine Terminal is located 2,200 feet southwest of the proposed development site for the Ocean Meadows single-family residences. The consultant firm URS prepared an EIR for the Ocean Meadows Residences project, which includes both single-family and multi-family development, as well as Ocean Meadows golf course improvements and modifications. This EIR is available on-line at:

<http://www.countyofsb.org/plandev/devrev/projects/ocnm-ellwoodspfeir/default.html>

The EIR addresses the potential hazards that could result to the proposed Ocean Meadows development from upset conditions at the Ellwood Marine Terminal. The last paragraph on Page 4.5-3 (Hazards and Hazardous Materials) of the EIR states that:

"A risk assessment of the onshore Ellwood Marine Terminal, which is located within the Venoco Lease within the University's North Campus property (see Figure 4.5-1), was prepared by PLG Engineers, Applied Scientists, and Management Consultants to assess the potential risk of fire, explosion, and release of toxic gas from the Ellwood Marine Terminal (Wallace, Roberts and Todd, 1997). The PLG analysis concluded that no explosion hazard exists at the Ellwood Marine Terminal. Fire-based thermal radiation hazards exist at the Ellwood Marine Terminal facility and represent a potential hazard to nearby areas. Although no ignition sources were identified at the Ellwood Marine Terminal, the potential was reported for crude oil to spill, ignite, and burn. PLG reported no scenarios that would lead to a catastrophic release of hydrogen sulfide gas from the Ellwood Marine Terminal facility. However, evaporation of hydrogen sulfide gas from a pool of spilled crude oil could be expected at a concentration of 30 parts per million (ppm) in air at distances up to 355 feet of the Ellwood Marine Terminal."

We ask that the lease extension EIR incorporate the above information, and utilize the environmental setting information in the Oceans Meadows EIR as appropriate, for consistency in analysis. Also, the preparers of the lease extension EIR should consider whether other nearby populations could be affected by potential hydrogen sulfide (H₂S) and other related pollutant exposures. Persons who may

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be affected include the University Children's Center, the Isla Vista Elementary School, the West Campus Faculty Housing, and the University Student Housing. In addition, there are numerous other neighborhoods which make up Goleta and Isla Vista which should be considered in the risk analysis. Even if the risk is minimal, or is not an issue of concern in the more distant developments, impacts from facility odors should be evaluated and mitigated appropriately.

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6. The Ellwood Marine Terminal is an aging facility, with continued exposure to the harsh conditions of the marine environment. The NOP identifies that the entirety of the marine terminal operations will be reviewed in the EIR, including the tanks, pump house and marine loading line. Due to the dynamic beach conditions in the vicinity caused primarily by winter wave action, the marine loading line is often exposed and at greater risk from the natural elements as well as third party damage. In order to ensure the safe operations of the loading line, a number of yearly and as-needed inspections are required of Venoco which include:

- Annual hydrotest of the pipeline as required by the State Lands Commission.
- Long Range Guided Ultrasonic Screening Inspection (GUL)
- Visual inspections of the loading line by Venoco to ensure that the free span does not exceed 30'.
- In addition, Venoco's commitment to repair the external coating on the loading line when exposed by winter storms, or as the situation warrants.

In addition to the above, we ask that the EIR include a free span stress analysis of the loading line to determine the cumulative effect of the repeated settling that has occurred over its years of operations.

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The EIR should include a detailed baseline project description. This baseline determination will be critical in identifying potential impacts and their significance. The current processing throughput is approximately 3,800 barrels per day, limited physically by reservoir productivity and technically by Air Pollution Control District permit emission restrictions. However, the actual permitted oil and gas throughput volumes are 20 thousand barrels per day and 20 million standard cubic feet per day, respectively. Currently, the only oil and gas throughput at the Ellwood Onshore Processing Facility is from Platform Holly, producing from the South Ellwood Field. There currently is a Recommissioning Plan under consideration by the State Lands Commission for State Lease 421. To proceed, the Recommissioning Plan would also require City permits. As proposed, that production would also enter the Ellwood Marine Terminal via Line 96 for barge transport. The estimated production life of that lease is approximately 12 years, with an estimated peak production rate of 680 barrels per day the first year, and 113 barrels per day the last year.

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Specific Comments

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|----|--|-------|
| 1. | Section 3. Lease History, page 1 – It is unclear whether the 1997 lease assignment to Venoco was for 10 years, or for the remaining period of the previous lease holder. Also, please clarify if Venoco has received yearly extensions of the previous lease, and why a 10 year lease renewal would only run through 2013, rather than 2014 or even 2015, depending upon the lease renewal processing timeline. This comment applies also to all other instances in the NOP where a 10 year lease is identified. | 14-11 |
| 2. | Section 4. Description of Proposed Project, page 2, first paragraph – The term “dedicated barge” should be replaced in the EIR with “Barge Jovalan” as that barge is named specifically in the facility permits and certificates of financial liability and cannot be substituted without formal modifications. | 14-12 |
| 3. | Section 6.1 Potentially Significant Impacts to be Addressed in the EIR, page 3, first paragraph – The lease period is listed as 10 years, but as identified in General Comment 2, there is a three year discrepancy between the end date of the marine lease and the UCSB land lease. Please clarify in the EIR how that discrepancy will be handled. | 14-13 |
| 4. | Section 6.1.1 <u>Visual Resources/Light and Glare</u> - We agree with the assessment that night lighting impacts would be considered significant if they affect nearby residences. In addition, the EIR should consider the night lighting impacts on the numerous, protected and/or endangered wildlife species within vicinity of the marine terminal facilities. | 14-14 |
| 5. | Section 6.1.2 <u>Biological Resources</u> – As noted in the opening paragraphs, the Ellwood Coast is replete with sensitive resource and the subject of a comprehensive planning effort to protect those resources as a designated preserve. In addition to the identified sensitive resources, the EIR should evaluate the potential impacts to all potential areas along the Ellwood Coast that could be impacted by on oil spill, especially the earlier noted preserve currently under review by the City for joint purchase and habitat management. | 14-15 |
| | The Ellwood Mesa is an area of significant biological diversity that could be adversely affected due to an upset of the marine terminal operations. Appropriate mitigation should be developed in consultation with the Coal Oil Point Reserve Manager and other local and regional authorities on species of concern. Line 96, the connecting line between the Ellwood Onshore Processing Facility and the marine terminal, traverses much of the Mesa and if damaged, could result in a significant release. Some of the most notable sensitive resources on the Mesa that could be adversely affected by a spill are vernal pools and native grasslands. In | 14-16 |

addition, the threatened bird species Snowy Plover nests and feeds at locations near the marine offshore loading line and at locations on the beach below Ellwood Mesa.

In addition, the Coal Oil Point Reserve is of local, regional and national significance because of its unique and endangered habitat diversity. The Reserve provides vital onsite educational and research opportunities, including tours for academicians, local residents and visitors. As such, the impact analysis should include the potential impacts on the entirety of the Reserve's opportunities, not just the physical environment.

14-17

6. Section 6.1.6 Hazards and Hazardous Materials, page 8 - In order to reduce the potential for marine and onshore upsets, mitigation measures should include a full technical operational integrity analysis of both the offshore and onshore, including the tanks, piping (onshore and offshore) and the barge Jovalan. The barge loading and safety procedures should be evaluated, including whether the barge is permitted to load during adverse weather conditions, and whether there is adequate spill prevention equipment either on the barge, immediately onshore, or in the vicinity to address a worst case spill. In addition, the hazards of potential seismic events should either be evaluated in this or another EIR section. The Ellwood/Devereux EIR identifies a potentially active branch of the More Ranch Fault in the immediate vicinity of the marine terminal storage tanks. The evaluation should consider any new information about that and other nearby faults, and whether or not the aging oil storage tanks and related facilities meet current seismic safety standards. The analysis should consider whether the tanks can be retrofitted to modern standards.

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7. (No Section number) Fire Protection/Emergency (Oil Spill) Response, page 11 - The EIR should include a discussion and analysis of the adequacy of the local oil spill response, including the County Fire Department, Office of Emergency Services, the industry cooperative network, and Clean Seas. This will help in determining the potential significance of any impacts to these emergency response resources.

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8. Section 6.3 Preliminary Listing of Alternatives to be Addressed in the EIR - In evaluating potential alternatives, we recommend that the EIR utilize screening criteria that address environmental, economic, social and technological factors, as appropriate. Many of these criteria can be adapted for this project from the County of Santa Barbara's Siting Gas Processing Facilities, Screening and Siting Criteria. An example of using the adapted criteria can be found in the Molino Gas Project Final EIR (95-EIR-02), SCH# 95031016.

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|-----|---|-------|
| 9. | Section 6.3.1 No Project Alternative – As stated in General Comment 3, please reconcile the impact of this alternative on the continued operation of the Ellwood Onshore Processing Facility, and the production of the South Ellwood Field. | 14-22 |
| 10. | Section 6.3.2 Construct a New Pipeline Alternative – In developing this alternative, it should be made clear that the tanks at the Ellwood Marine Terminal would not be used for storage, and that new storage would be necessary at either the Ellwood Onshore Processing Facility (EOF) or other identified upland sites. The feasibility of adding additional storage at the EOF must take into account the fact that the EOF site is zoned Recreation, and the facility is a legal non-conforming use. This zoning designation and non-conforming use status greatly limits any future development at the EOF site, unless the modifications can be demonstrated to provide a public health or environmental benefit. | 14-23 |
| | Without exception, pipelines are superior to all other modes of oil and gas transportation, especially marine tankering. This is especially true with the ongoing National state of emergency and the apparent vulnerability of the marine tankering facilities. As such, we ask that the pipeline alternative be developed to a project level of detail. | 14-24 |

This concludes our comments on the Notice of Preparation for the proposed Ellwood Marine Terminal lease extension. If you have any questions, please feel free to contact Mr. Steve Chase at the County Energy Division at (805) 568-2520.

Sincerely,

FRED STOUDE
 CITY MANAGER

Cc: Connie Hannah, League of Women Voters
 Chris Lange, The Friends of the Ellwood Coast
 DeAnn Sarver, Santa Barbara Shores Homeowners Association
 David Sangster, Area Resident
 Dr. Inga Cox, Area Resident
 Environmental Coalition of Santa Barbara
 Steve Chase, County Energy Division
 Terry Dressler, Air Pollution Control District
 Alison Dettmer, California Coastal Commission
 Bob Poole, Western States Petroleum Association

To: State Lands Commission

From: Cristina Sandoval, PhD.
UCSB Coal Oil Point Reserve
Marine Science Institute
University of California
Santa Barbara, CA 93106
(805) 893-5092
Sandoval@lifesci.ucsb.edu

I am Dr. Cristina Sandoval, director of the UCSB Coal Oil Point Reserve. I live at the UCSB residence on the bluff top across from the barge operation. It is my obligation to assure that the 4,000 visitors that come to the reserve and the volunteers and staff that work here daily, have a safe and clean air to breath. As a mother of 2 young girls, it is also my duty to not expose them to toxic fumes that could cause long-term illness.

For 8 years, I and others have smelled a distinctive nauseous gas that only occurs when the barge is loading oil. Fumes from natural seeps are also present independent of the barge, but these fumes are aromatically different.

The fumes can give me headache and a sore throat. At times, I have had to leave work to avoid the fumes. I have called the SB Air Pollution Control District and Venoco numerous times to request a solution to this problem. I always hear the same response: "there are natural gas and oil seeps in this area and it is not possible to prove that what you smell is caused by the barge". Frustrated by 8 years of complaints and continued fumes, I investigated past problems with the gas emitted by the barge. I learned that a previous reserve manager had to move from his house for a year until a filter was placed in the barge. It is frustrating to know that previous issues were not solved by the filter. I requested information about the gas being released and a materials safety datasheet but Venoco has not provided me with any information.

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Venoco does have a monitoring station which could, in theory provide insight into impacts from the barge. Unfortunately, this monitoring station is not directly downwind from the barge, and it would miss the main odor plume.

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It is also my observation that when the barge leaves the area there is an increased amount of tar on the beach. Venoco staff told me that the barge collects tar behind the vessel and this tar floats to the beach when they leave. The sudden increase in tar on the beach poses environmental hazards. For example, in 2003, a Western Snowy Plover chick died after being stuck to one of these large pieces of tar. The numerous shorebirds that live on Sands beach seem to be able to deal with the natural amounts of small tar but could be impacted by the large pieces that float to the beach after the barge operation.

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Because of the high human use of this area, the high proximity of the barge to the beach, and the environmental sensitivity of the area, the barge operation and tanks pose high risks to the public and the environment.

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Clearly, the best response for public health concerns would be to end the permit for this non-conforming operation. Short of that, I make the following recommendations, which might help mitigate the effects:

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|--|-------|
| (1) Analyze the fumes so we understand the risks we had from past exposure. | 15-6 |
| (2) Post warnings for the general public indicating the potential agents that could be associated with the barge as well as the potential health risks from breathing such agents. | 15-7 |
| (3) Install a sensitive air quality monitoring station downwind from the barge (near the Cliff House). | 15-8 |
| (4) Initiate an independent tar and gas monitoring study to investigate the correlation between the presence and amount of toxic substances with the barge operations. | 15-9 |
| (5) Create a no-tolerance policy for fumes coming out of the barge operation with concrete penalties for breach. | 15-10 |

Thank you.

David K. Sangster
7465 Hollister Ave. #434
Goleta, CA 93117-2537

August 13, 2004

VIA E-MAIL

Marina R. Brand
California State Lands Commission
100 Howe Ave, Suite 100 South
Sacramento, CA 95825

Subject: Comments on the SCOPING DOCUMENT PROPOSED ELLWOOD MARINE TERMINAL
LEASE RENEWAL EIR (Industrial Lease PRC 3904.1) July 14, 2004

Dear Ms. Brand:

I have briefly reviewed the above document, and in view of my ongoing concern relating to the safety of the section of the barge loading line that crosses the intertidal zone on the beach, I think it is about time that a full visual inspection of that section be made before the lease is renewed. That section of line was severely compromised in 1998 when it was exposed to the waves and debris, which scoured out its sand support. It settled about 4 feet in one section and had a free-span of over 50-feet in another. I believe the stresses associated with the free span and the settling may still be in the line today as it was reburied before it had been raised back to its original position, which would have relieved the stresses. Any existing stresses would have to be added to those associated with an earthquake; the total resulting stresses would be dangerous. The Santa Barbara County Energy division has been informed of all my concerns and questions and has chosen not to properly answer any of them. I suggest getting copies of all the correspondence and the pictures. There are many reasons for calling a visual inspection. Although it may have passed all of the hydro-tests, the condition of the line must be taken into consideration – hydro-tests should only be used for verifying well maintained and not disturbed lines. I believe that Federal codes do call for inspection whenever a section of line is exposed – the fact that it was reburied by natural causes should not remove the need for a full visual inspection – the line was damaged as the pictures show. My concerns also relate to the cathodic protection – all in my letters to the Energy Division, State Lands, and the State Fire Marshal. All of the records should be reviewed by an expert and carefully explained. I have never been given an adequate explanation of how one measurement at the end of the line proves that the induced voltage at the pump house protects the entire line when the voltage drops across the intertidal zone. I would guess that there are also passive anodes on the section of line under the sea which could provide some protection, but not much protection in the section that has lost all its wrap.

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There should be a very close look at the picture on the Internet that shows the Marine Terminal. I have zoomed in on the extra large 6.3 MB image and see a black fluid coming out of the sand very close to where the pipeline crosses the beach. The site is www.californiacoastline.org and the image number is 3101. The next picture, 3102, was taken a couple of seconds later and the plume changes shape in the waves, but a fixed point source in the sand can be seen to the left of the plume. Since the line is only used every two weeks and it is several feet under the sand, I feel that oil from a small leak

16-6

could accumulate and be trapped by the wet sand, only to emerge several days later. It is difficult to observe because it may be a night or in the surf and would look like natural seep oil shortly after a brief release.

16-6,
cont.

The block of offshore lands is not mapped – how much of the beach does it include? I ask this because there are a lot of old rails sticking up in the sand that are exposed in the winter months. It would be wrong to say that the single-hulled barge could be safely beached on the sandy beach – in winter those rails and any other offshore remnants of the old oil operations would tear the barge apart. There was a plan to remove those rails, but the State Lands ran out of money and those specific rails were removed from the permit at the last minute. It was mentioned that the barking seals like to use the offshore bouys – that is true because they have learned not to come on the beach in winter because of all the hazardous rails which at times are only 6-inches high and hidden in the surge. I've seen several dead seals with large gashes in the winter months. They do not use the beach, although it is their natural habitat.

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Sincerely,

David K. Sangster

Phone (805) 9680058, e-mail dksangsta@juno.com.

NOTICE OF PREPARATION OF
A DRAFT ENVIRONMENTAL IMPACT REPORT
AND NOTICE OF PUBLIC SCOPING MEETING

REPORTER'S TRANSCRIPT OF PROCEEDINGS,
taken at 5679 Hollister Avenue, Goleta, California,
commencing at 4:10 p.m., Tuesday, August 3, 2004, before
TAMARA LECKIE, CSR NO. 8935.

FILE NO. 65535

1 A P P E A R A N C E S:

2

3 For State of California:

4 MARINA BRAND, Staff Environmental Scientist
5 JANE SMITH, Land Management Division
6 JOHN L. BROWN, Supervisor, Field Office
7 MARK A. MEIER, Senior Counsel
8 STEPHEN L. JENKINS, Assistant Division Chief

9 For Venoco:

10 STEVE GREIG
11 MIKE EDWARDS

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1 GOLETA, CALIFORNIA; TUESDAY, AUGUST 3, 2004;

2 4:10 P.M.

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6 MS. BRAND: Okay. So good afternoon. Welcome
7 to the scoping meeting for the Notice of Preparation for
8 the Draft Environmental Impact Report for the Venoco
9 Ellwood Marine Terminal Lease Renewal Project.

10 My name's Marina Brand. I work with the State
11 Lands Commission. I am a Staff Environmental Scientist,
12 and I work in the division of Environmental Planning and
13 Management. I have a number of other staff people with
14 me here today.

15 This is Steve Jenkins, who's also with
16 Environmental Planning and Management, he's the
17 Assistant Chief; Mark Meier, from our legal office; John
18 Brown, from Marine Facilities Division; and Jane Smith,
19 from our Land Management Division.

20 I also have Steve Greig, from Venoco, who will
21 be here to answer any technical questions you might have
22 about the project a little later on; and then we have
23 our court reporter, Tamara Leckie.

24 Okay. So this is a public meeting. And what
25 we are here about today is to get comments from you

1 regarding the scope of the Environmental Impact Report.
2 We really appreciate the interest that you're showing in
3 the environmental process for this project.

4 I have a couple of announcements. First of
5 all, if you're interested in speaking, you need to fill
6 out a speaker slip, which is located on the table where
7 you came in, and then just bring them up here to me.
8 There's also a sign-in sheet that we'd appreciate you
9 filling out so that we can add you to our mailing list
10 so you're apprised of what goes on.

11 So this is an opportunity for you to comment
12 on the scope of the Environmental Impact Report. And
13 specifically what we're looking for are your comments on
14 the potential environmental effects, mitigation
15 measures, significance criteria and potential
16 alternatives to the project.

17 The State Lands Commission is operating as the
18 lead agency under the California Environmental Quality
19 Act. And we have probably a number of other agencies or
20 departments that will also be using this document as
21 part of their decision-making processes, and that would
22 include the Energy Planning and Air Pollution Control
23 Divisions for the County of Santa Barbara, the
24 California Coastal Commission, the California Coastal
25 Conservancy, the Department of Fish & Game. And those

1 are just a few. There will be other agencies that will
2 be using this document, as well.

3 Now, we're interested in receiving testimony,
4 as I said, involving the potential environmental effects
5 of the project, significance criteria, mitigation
6 measures and potential alternatives to the project. And
7 these will be ones that you would like to see included
8 in the Environmental Impact Report.

9 I'd also like to direct your attention to the
10 Notice of Preparation. Hard copies are also located on
11 the table as you came in the door. And in that
12 document, Commission staff has discussed what we think
13 are the potential environmental effects of the project,
14 the significance criteria that we're tentatively at
15 least going to use or are currently proposing to use to
16 identify the significance of the impacts associated with
17 those issues as well as alternatives to the project.

18 What we'd appreciate hearing from you today is
19 any alternatives, impacts, mitigation measures,
20 significance criteria that have not already been
21 identified in the Notice of Preparation.

22 We submitted the Notice of Preparation to the
23 State clearinghouse on July 14th. That initiated a
24 30-day public review period. We also published the
25 notice in the Valley Voice on July 16th and in the Santa

1 Barbara News Press on July 20th. And also it's posted
2 on our website, which is www.slc.ca.gov.
3 Public review, the end of the 30 days, will be
4 August the 13th. So we'll be accepting written comments
5 as well as the oral comments that you provide today
6 through that date. Once we've received all those
7 comments, we will be giving them to the environmental
8 consultant that's been selected to prepare the
9 environmental document and they will use that as
10 guidance in preparation.
11 So up to this point, do you -- are there any
12 questions?
13 Okay. The next thing I'd like to do is just
14 briefly describe the project. The applicant is Venoco,
15 Incorporated. And what they want to do is renew a lease
16 for another ten years, which would take their lease
17 through February 28th, 2013. Renewal of the lease would
18 allow them to continue operating the Ellwood Marine Oil
19 Terminal, and this is a crude oil marine loading
20 terminal, and it also has associated facilities.
21 The marine terminal handles the oil that is
22 produced in the South Ellwood Field. The oil is
23 transported from Platform Holly, which is located in
24 State waters, through a subsea pipeline, to the Ellwood
25 Onshore Facility, where it's processed.

1 Once it's processed, it's sent via Line No. 96
2 to two storage facilities that are associated with the
3 marine terminal. Once -- or after it's been stored, it
4 is then pumped to a barge, and then this barge can be
5 loaded at a rate of 4,200 of barrels of oil per hour.
6 The barge has a total capacity of 56,000 barrels.

7 And typically what Venoco will do is fill that
8 barge two to three times a month, and they fill it up to
9 55,000 barrels of oil. The barge then will take the oil
10 to refineries that are located in the Port of Los
11 Angeles.

12 Now, the marine terminal has both onshore and
13 offshore facilities. The offshore facilities are
14 located about 2,600 feet from shore, at a water depth of
15 about 60 feet. It consists of a six-point mooring
16 system, which are basically six buoys. There are two
17 additional buoys. There's a 10-inch diameter marine
18 loading pipeline that extends from the mooring to the
19 beach and then an 8-inch diameter rubber hose that's 240
20 feet long that connects to the offshore end of the
21 pipeline.

22 The onshore facilities consist of a 12-inch
23 pipeline that connects to the 10-inch line, and that
24 12-inch line then extends upland to the storage tanks.

25 There are two storage tanks, each has a

1 capacity of 65,000 barrels. There's also a pump house
2 and there's a 10,000-barrel water -- or fire water tank.
3 And then lastly, there's a 2.375-inch diameter water
4 supply line.

5 In terms of the State Lands Commission's
6 jurisdiction, we have a leasing jurisdiction that
7 extends from the mooring system, so that's 2,600 feet
8 offshore, to the ordinary high water mark. Our
9 regulatory jurisdiction extends all the way to the first
10 valve outside the containment area for the storage
11 tanks.

12 We feel that the storage tanks are an integral
13 part of the marine terminal operation, so the
14 Environmental Impact Report is going to be evaluating
15 the marine terminal facilities, all of its operations
16 and the transport of the crude oil to the Ports of Los
17 Angeles.

18 Do you have any questions regarding the marine
19 terminal? And I'd like to add that Steve Greig is here
20 from Venoco, and he can answer any technical questions
21 that you have about the terminal or its operations.

22 Yes.

23 MS. BOWDISH: Seeing as you guys are doing the
24 tanks -- the storage tanks, too, who does that lease
25 go -- who gets the money for that, for renting that --

1 the tank area?

2 MS. BRAND: Well, what I know is that portion
3 of the marine facility is -- the land that it sits on is
4 leased by the University of California at Santa Barbara.

5 MS. BOWDISH: Do you know how much they lease
6 it for?

7 MS. BRAND: No, I don't.

8 MR. JENKINS: If -- because we are
9 transcribing this meeting, if you are going to speak, if
10 you could speak loudly so the transcriber -- or the
11 court reporter can hear that, and also precede your
12 comments with your name.

13 MS. BOWDISH: Callie Bowdish.

14 MR. JENKINS: Can you spell your last name.

15 MS. BOWDISH: B-o-w-d-i-s-h.

16 MS. BRAND: Was that it for your questions?

17 Okay. David.

18 MR. SANGSTER: David Sangster. I'm a
19 resident. I have just a couple questions.

20 You mentioned that the oil is pumped through
21 Line 96, I think -- I'm not sure you mention the Line
22 96 -- and then you said after it's stored it's pumped
23 into the barge. Is there any possibility the line --
24 oil is pumped directly through Line 96 from the onshore
25 facility to the barge loading line?

17-1

1 MR. GREIG: No.

2 MR. SANGSTER: There's no connection?

3 MR. GREIG: Steve Greig, with Venoco.

4 No. Marina's correct. It goes from Line 96

5 into the tanks, and then the tanks are offloaded from --

6 through the -- through the lines that she described to

7 the barge.

8 MR. JENKINS: Mr. Sangster, S-a-n-g-s-t-e-r?

9 MR. SANGSTER: Yes.

10 MS. BRAND: Are there any more questions?

11 Okay. If there aren't any more questions,

12 then what I want to do open up the meeting for public

13 comment.

14 And, again, we're interested in the potential

15 environmental issues, the significance criteria,

16 mitigation measures and project alternatives that have

17 not already been described in the Notice of Preparation.

18 The other thing I'd like you to do, since we

19 do have a court reporter -- and I'm being a little

20 redundant to Steve. But when you come to the

21 microphone, I'd like you to clearly speak your name and

22 give your address for the record.

23 And then, also, it's not necessary that you

24 make comments at this meeting, oral comments. It's

25 perfectly acceptable to submit written comments to us.

1 We just need to receive them by August the 13th.

2 And the other thing is we are scheduled two
3 meetings. We have this one at 4 o'clock, we have
4 another one at 7 o'clock tonight. It's not -- if you do
5 not wish to, it's not necessary for you to attend both
6 meetings. One suffices.

7 So I've got speaker slips from a number of
8 individuals. And I'd like to first call Cristina
9 Sandoval.

10 MS. SANDOVAL: Good afternoon, Staff and the
11 State Lands Commission. Thank you for listening. I'll
12 be submitting my written comments later. I'm
13 Dr. Cristina Sandoval, Director of the UCSB Coal Oil
14 Point Reserve. I live at the UCSB residence right
15 across from the barge operations.

16 For eight years I have smelled a typical
17 acidic gas that only occurs when the barge is loading
18 oil. I also occasionally smell tar, but this smell is
19 not always associated with the barge being there.

20 I have called the Santa Barbara Air Pollution
21 Control District and Venoco numerous times. Frustrated
22 with eight years of complaints and no solutions, I
23 investigated past problems with the gas emitted by the
24 barge. I learned that a previous reserve manager had to
25 move from his house for a year until a filter was placed

1 in the barge. This worries me a lot, because I assumed
2 that there was no toxic fumes being released during
3 barge operations.

4 I continued to call APCD, and to date there
5 has been no solution to this problems. As a director of
6 the Reserve, it is my obligation to assure that the
7 4,000 visitors that come to the Reserve and the
8 volunteers that staff -- and staff that work here daily
9 have a safe and clean air to breathe. As a mother of
10 two young girls, it is my duty not to expose them to
11 toxic fumes that could cause them serious illness in the
12 long-term.

13 I'm frustrated with the lack of environmental
14 responsibility on the part of the Venoco. They have not
15 provided me with an analysis of the gas being released,
16 as I requested. They have not provided me with the
17 materials safety data sheet, as I requested. And they
18 have not solved the gas leak problem, as I complained
19 for eight years and more than 30 times.

20 This spring they got large holes in the sand
21 on the beach. I managed to check some pipes without
22 authorization from me, and during the threatened snowy
23 plover breeding season.

24 Tar has been a problem to the environmental
25 air -- sensitivity of the Reserve. Last year, we have a

1 snowy plover stuck on a piece of tar. To date there has
2 been no analysis if tar is associated with the barge
3 operation or not.

4 From my observations, although I don't have
5 any data on that, it seems that the day the barge leaves
6 there's an additional amount of tar from the regular tar
7 that comes to the beach daily.

8 Because of the high use of this area, the high
9 proximity of the barge to the beach and environmental
10 sensitivity of the area, there should be a
11 zero-tolerance policy for fumes coming out of the barge
12 operation. The fumes should be analyzed so that we
13 understand the risks we had from past exposure.

17-2

14 There needs to be an air quality monitoring
15 station at Coal Oil Point Reserve. The present air
16 quality station is octagonal to the barge and does not
17 capture the leaks. My house is in exactly the
18 prevailing wind from the barge operation.

17-3

19 There also needs to be a tar monitoring
20 program by an independent consultant to determine if
21 there is, in fact, an association between tar amount and
22 the operations.

17-4

23 There needs to be an immediate response from
24 Venoco on all gas leaks so the public have a chance to
25 evaluate the risks they were just exposed to and help

17-5

1 them make the right choices about how to avoid further
2 exposures.

3 For example, I had to go to friend and
4 relative's house a few times because the smell was so
5 bad, it caused me a sore throat. I couldn't tell --
6 nobody from APCD or Venoco could tell me it was causing
7 me a problem. The continuous blame of problems on the
8 natural gas and oil leaks needed to stop.

9 I have a Ph.D. and I know statistics. The
10 chances of a (inaudible) type of gas to be released 30
11 times when the barge is here and zero times when the
12 barge is not here is not coincidental. The probability
13 that the gas leaks are related to natural leaks instead
14 of the barge leak is less than 0.01 percent.

15 I have not been successful in stopping the gas
16 leaks from the barge operation. I ask your help here
17 today to solve this serious problem.

18 MS. BRAND: Thank you, Dr. Sandoval.

19 Next I have Ed Easton.

20 MR. EASTON: My name is -- my name is Edward
21 Easton. I'm President of the Friends of Coal Oil Point
22 Reserve, resident of Goleta and Conservation Chair for
23 the local group of the Sierra Club. I have experience
24 at the beach, in that I docent at the Coal Oil Point
25 Reserve at least twice a week, if not more, particularly

1 during breeding season. So I see the barge on a fairly
2 regular basis and experience at least some of the
3 effects and sensations that Dr. Sandoval gets.

4 I have an observation, but only a few -- but
5 more questions. Just on a quick reading of the
6 announcement, which I only saw today for the first time,
7 picking it up right here, I did hear through the
8 grapevine, which seems to be a little sparse in terms of
9 public notice. But there is no mention in the
10 preparation memo of Coal Oil Point Reserve, which it
11 seems to me is an educational resource of some
12 significance to the State Lands Commission. We
13 regularly patrol your land as docents, trying to keep
14 people who are using it from abusing the beach and the
15 plovers that are there.

16 But times have changed at Sands Beach. There
17 is a reserve there. It's being taken care of. And
18 there are more resources there than are noted in the
19 Notice of Preparation. Notably, we have breeding snowy
20 plovers there for the first time in 26 years -- well, 34
21 years. We have breeding least terns. Not a threatened
22 species, an endangered species. They are using the
23 beach. They are attempting to breed. We've had
24 problems with predators. And I don't know what effect
25 the oil has on them.

17-7

1 Beyond that point, I just have some questions
2 which need to be addressed in the report. What is the
3 spillage of oil on the beaches there? I haven't talked
4 to Dr. Sandoval about it, but I've noticed the same
5 correlation between the barge being present and there
6 being fresh oil on the beach.

17-8

7 I'm not unfamiliar with the fact that Coal Oil
8 Point is named because there's natural seeps there. I
9 understand that, as I think we all do. At the same
10 time, if the barge is contributing to more oil than is
11 natural, that needs to be addressed. I don't know if
12 there -- I don't know that anybody's done any research
13 to identify a correlation between increased oil on the
14 beach and the presence of the barge. I think it's
15 research that should be done. I think at some time I
16 said to Cristina it ought to be done, but she probably
17 didn't listen to me.

17-9

18 What is the long-term effect of the higher
19 than normal oil on the beach on the beach invertebrates?
20 This is also a subject of study. Because beyond that
21 point, what's the effect of a spillage on the long-term
22 ecosystem on that beach? Apparently there is some
23 chance for spillage or significant spill, at least it
24 says so in the -- your Notice of Preparation.

17-10

17-11

25 What would be the effect on the educational

17-12

1 mission of the natural reserve should there be a
2 significant spill? It isn't just the snowy plovers, it
3 isn't just the least terns. There are significant
4 educational resources in the tidelands that are used by
5 school children and used by researchers right at Coal
6 Oil Point Reserve.

17-12,
cont.

7 Some major questions. What is -- what will
8 happen if there is a spill? How much of a spill will it
9 take to get public notice? How will we be notified?
10 How will a spill be cleaned up?

17-13

11 I can't say that I'm familiar with what's been
12 learned in Alaska and oil spills. I can say I'm
13 familiar with oil on beaches from the beaches I'm living
14 in, where a loading facility regularly puts significant
15 quantities of beach -- oil on the beach and made the
16 recreational resources somewhat less than could've been
17 hoped for.

18 What if there's a storm when the barge is
19 there? I noticed that the tugboat seems to keep tension
20 on the wire when the barge is in place. If there's a
21 power failure by the tug, will the anchorage hold the
22 barge with a significant wind from the south?

17-14

23 Can this oil be sent by pipeline? I don't
24 know. I'd like to find out. I think that should be
25 addressed. What's the effects of that? I know there

17-15

1 are major pipelines under Hollister Avenue. Perhaps
2 before everybody gets all hot and gone down the road
3 with Devereux-Ellwood project, putting a pipeline down
4 Hollister Avenue might be a good idea.

17-15,
cont.

5 The barges, if I understand you right, you
6 said there's a tank on the barge. So we in effect have
7 a double-hulled situation. No? That's a single hull?
8 What would be the effect of a double-hulled barge? What
9 happens if the barge comes ashore in high winds?

17-16

10 All of the natural resources at the Reserve as
11 well as the Reserve itself should be examined from the
12 effect that an oil spill would have in that location.

17-17

13 Using a barge to transport oil in the 21st
14 Century seems like somewhat ancient technology. These
15 are questions I have. I do not have a position. And I
16 hope to be a fairly reasonable person, but they are all
17 questions that I think need to be answered.

18 Thank you very much.

19 MS. BRAND: Thank you, Mr. Easton.

20 Next I have Connie Hannah.

21 MS. HANNAH: I am Connie Hannah, speaking for
22 the League of Women Voters of Santa Barbara. We want to
23 welcome you to Santa Barbara and assure you that it is
24 much cooler outside than it is inside today.

25 Over the years, the League has expressed

1 concern on a number of serious issues, related to
2 various parts of this oil project, from serious hydrogen
3 sulfide releases from Platform Holly, to continuing
4 objectionable odors from the Ellwood Processing
5 Facility.

6 The public has made almost constant complaints
7 about this project for years. And it was forced to
8 shutdown in 1999 because of a series of major accidents.

9 We have read the Notice of Preparation, and we
10 note that the Ellwood Marine Terminal presents some
11 special problems. It's the only oil producer in
12 California that is still barging oil in an old,
13 single-hulled barge, and doing it through the Santa
14 Barbara Channel, which is a very valuable marine
15 resource area.

16 Hannah-Beth Jackson's bill, AB 16, which
17 mandates now pipeline transportation of offshore oil for
18 California, makes this a nonconforming use. The land
19 uses for this project are also nonconforming and they
20 are causing the League particular concern.

21 40 years ago, no one understood the concept of
22 a hazardous footprint when this terminal was put into
23 place. During these years, the Isla Vista Elementary
24 School, within one mile of the oil storage tanks, has
25 grown and now houses 500 young children. The University

1 Children's Center, also within one mile, serves 100
2 infants and very young preschool children. Within that
3 same mile are the University's Family Student Housing
4 and West Campus Faculty Housing, designed for young
5 families with small children. This is the largest
6 concentration of very young children anywhere on the
7 South Coast, and they are sensitive receptors.

8 In January of 1997, at the annual meeting of
9 the American Public Health Association, research was
10 presented that indicates that hydrogen sulfide can cause
11 lasting damage to the central nervous system, even in
12 extremely low concentrations. Children are particularly
13 vulnerable to such low-level effects, according to that
14 research.

15 In discussing the scope of the EIR on Page 3,
16 you have noted that there is a reasonable possibility of
17 an oil spill occurring during the operation of the EMT
18 and the offshore loading facilities during the ten-year
19 renewal period. You go on to discuss the environmental
20 hazards that this poses, and we are very concerned about
21 those, as well. But we think that the danger to this
22 large concentration of young children must be addressed
23 by the EIR under the significance criteria for both air
24 quality and hazardous materials. Any spill could create
25 a fire or the release of toxic petroleum fumes.

17-18

1 Any leak or spill at this facility would cause
2 the very obvious threat to the ocean environment and to
3 the Devereux Slough, but it could also cause a personal
4 threat to all the children and adults who live so close
5 to the Ellwood Marine Terminal.

6 At the present time, there is now a plan for
7 additional housing south of the Ocean Meadows Golf
8 Course, which would put housing for young families even
9 closer to the tanks than one mile. As far as we have
10 been able to learn, it would probably be impossible to
11 evacuate the large numbers of children close to this
12 property in case of any toxic release or accident. For
13 these reasons, the League believes that this lease
14 should not be renewed.

15 We thank the State Lands for holding this
16 scoping hearing here in Goleta, where the problems are
17 most visible and the best understood.

18 Thank you.

19 MS. BRAND: Thank you, Connie.

20 Next I have DeAnn Sarver.

21 MS. SARVER: Hi, there. DeAnn Sarver. I am
22 the President of the Santa Barbara Shores Homeowners
23 Association. And I am just kind of coming into this
24 issue within the last few days here actually. I've been
25 a little busy with some other items.

1 But I can tell you that my past experience
2 with this particular operation was when I was working at
3 UCSB. I was a hazardous materials specialist there for
4 about seven years and used to respond to odor complaints
5 as a part of their emergency response team there, and at
6 the time I believe it was operated by Mobil. And I
7 can't remember when Venoco took over and when I left and
8 all of that.

9 But I can tell you that the similarities
10 between them doing the loading at the end of this
11 pipeline and the odor complaints that we would get from
12 the faculty housing were pretty much -- you know,
13 whenever we got the odor complaints from the housing
14 over there we would give -- give the oil operators a
15 call and say, "Hey, are you guys doing stuff out there
16 today?"

17-20

17 And they'd say, "Yes."

18 And so we just knew that that's kind of what
19 was going on. So a little echo on Dr. Sandoval's
20 comments with the -- with the pattern there.

21 The other issue that I'm familiar with with
22 regards to this operation is that I have a very good
23 friend who used to be a commercial diver. And, as such,
24 he was -- his company was often contracted to do some
25 repair work out at the end of the pipeline. And I'm not

17-21

1 exactly sure where or what exactly he was doing, but I
2 can tell you that he did report that there were -- that
3 it was in complete disrepair and in desperate need of an
4 upgrade and that it was almost constantly leaking and
5 dribbling out little dribbles. So whether or not that
6 is still the case, I don't know. I have brought it up
7 to some of the reps at Venoco, who claim that that is
8 not the case. If there has been repairs since my good
9 friend was out there a few years ago, that would be
10 wonderful. However, if that hasn't -- is not the case,
11 then this would certainly be an opportune time to
12 require the utmost in standards with regards to that
13 connection point.

17-21,
cont.

14 And, in general, I still haven't quite got my
15 arms around what -- how I feel about the operation being
16 there. Obviously there's some health hazards and some
17 water quality problems and things like that. I guess
18 my main thing is that if we can minimize this operation
19 so that obviously it has the least impact as possible,
20 that would be great.

17-22

21 My biggest lingering concern is that the
22 barge, from what I understand, is single-hulled, at
23 least on the outside part of the hull there, and that is
24 just a complete -- it's just completely mind-boggling to
25 me that that is still in existence. I can't even

17-23

1 believe, you know, here we got rid of all this tankering
2 going through our shores and we've got this
3 single-hulled barge carrying all this stuff so very
4 close to shore. It's just -- it's inconceivable to me.
5 So, to me, that needs to be fixed.

17-23,
cont.

6 I will, however, end on one positive note,
7 that regardless of what happens to this operation, one
8 of the things that I do like about it is that we get to
9 hear the sea lions barking from those buoys. And if
10 they do, you know, close this -- close up shop on this
11 thing either now or later or whenever that happens, I
12 would like to try and retain those sea lions if we can
13 and keep these buoys out there, because it's actually
14 something that the neighbors all love. My sister was
15 here last weekend. She was wondering who had a seal in
16 their backyard because she couldn't believe that we
17 could hear the barking. And it's just something we've
18 all grown to love.

17-24

19 So that's it.

20 Thanks.

21 MS. BRAND: Thank you, DeAnn.

22 Okay. The next person I have is Callie, and
23 I'm sorry, I can't read her last name.

24 MS. BOWDISH: Bowdish.

25 MS. BRAND: Bowdish? Okay. Thanks.

1 MS. BOWDISH: Callie Bowdish, at 553 Sweet
2 Rain Place, just off Storke. I am within an hour of the
3 terminal, too, I -- I mean, within a mile of the
4 terminal, probably ten-minute walk or bike ride.

5 Anyway, I just am -- I've always felt that
6 there was a disconnect there, having a reserve the same
7 place you have an oil terminal. And I just -- it just
8 doesn't make sense to me. Here, they're trying to
9 preserve nature and you have this terrible memory of the
10 oil spills in the past in the Santa Barbara area, where
11 the beaches were devastated and I -- you know, I just --
12 I just wanted to express that.

13 Also, I surf there regularly, and I think
14 there's a very valuable surfing resource there that
15 isn't -- is much better than most of the Santa Barbara
16 area. People have been out there when the terminal --
17 when the tanker comes in and have complained about
18 feeling sick when they were surfing. When you surf, you
19 do exert yourself and breathe more oxygen, and if you're
20 right there when the terminal happens to be leaving --
21 you know, belching the smell of sulfur -- kind of smells
22 like sulfur -- you feel, you know, like you're
23 endangering yourself, maybe you should go in and not
24 surf that day.

25 And also I just want to thank you for looking

17-25

17-26

1 into this and having this Commission here and managing
2 the problems, you know, and the things that need to be
3 done. I think anything you can do to ensure the safety.
4 Like I say, I grew up in Santa Barbara, I have that
5 terrible memory of the oil spill and the beaches being
6 devastated. And anything you can do to ensure that that
7 won't happen is very greatly appreciated.

8 Thank you.

9 MS. BRAND: Thank you, Callie.

10 Next, Chris Lange.

11 MS. LANGE: My name is Chris Lange, C-h-r-i-s,
12 Lange, L-a-n-g-e. I'm here for -- representing FOTEC,
13 F-O-T-E-C, Friends Of The Ellwood Coast, President this
14 year. I just received my copy of the NOP. First one in
15 the mail and also by E-mail, so I have not had an
16 opportunity really give you a good read yet.

17 My experience includes residency in the
18 Ellwood area within the hazard area, I suppose. If
19 you're thinking of a one-mile area, certainly within
20 that. I'm 15-year activist, preserving the Ellwood
21 Coast, and I am currently president of the FOTEC, whose
22 area of concern starts at Coal Oil Point. So we have a
23 long history, and I have a history of knowing the area.

24 At least -- I didn't live through that 1969
25 oil spill here, but that was on my mind when I was

1 thinking. So every ten days we face the risk of an oil
2 spill off the coast of the Point. You already heard we
3 wish to pay a lot more -- scrutinize the impacts on and
4 pay more attention to the Coal Oil Point Reserve and its
5 wildlife. I am a docent, as well, have been, and I have
6 great concerns in that way about the animals and the
7 birds out there, the quality of the water.

17-27

8 I wonder how far that 1969 source of the oil
9 spill was. I can picture the entire Ellwood Coast being
10 a lot closer than 2,600 feet.

11 If you have any issues with this being an old
12 facility, well, so do I. We have, in the community,
13 been angry and concerned about things like sore throats
14 and headaches and smells for a long time. We rose up
15 when the Clearview Project was brought up by Mobil for
16 that area. You will find a lot of people being
17 interested as soon as they are more aware of what this
18 is about.

17-28

17-29

19 My concern is: Why has the lease renewal gone
20 so long? You've been on a month-by-month lease for how
21 long instead of renewing the -- how long has it been?
22 Ten years? This is a long time for old oil pipes
23 underground and maintenance issues not to be reviewed in
24 public. This is a long time for conditions that we've
25 had questions about, including, where are the pipes? We

17-30

1 don't have a map. The quality of the pipes. Why didn't
2 we see people years ago, ten years ago going out looking
3 for leaks, potential leaks where they may have
4 crossed -- or gone to Ellwood Mesa?

17-30,
cont.

5 I'm concerned that there's not been an
6 opportunity, therefore, for timely review of these
7 problems that are out there, and they need to be
8 addressed.

9 What does the EIR plan to do about atypical or
10 extreme loading conditions? You talk about typical ones
11 there. Loading schedules being every ten days. What
12 about loading sizes? What about if there's a storm? I
13 think the area deserves -- that we should not have a
14 single-hulled barge, a relic. We should be pipelining.
15 We should not be in old pipelines. We should be in new
16 pipelines. We should not be barging at all. So I think
17 what's going to happen here is we are going to be very
18 concerned.

17-31

17-32

19 I am just holding this here (indicating)
20 because back during the Clearview days, we were courted
21 as a community, and I have mine -- my name's inside. I
22 was out there going around looking at the great, 10-foot
23 tall ladder that said "H2S" around the platform. And
24 I'm concerned and I hope that you will do a terrific job
25 protecting Coal Oil Point, because the neighbors will

1 certainly be watching.

2 Thank you.

3 MS. BRAND: Thank you, Chris.

4 That's all the speaker slips that I have. Is
5 there anyone else who'd like to fill them out and say --

6 Yes, sir.

7 MR. CHASE: Thank you very much. Hi. My name
8 is Steve Chase. I'm the Deputy Director of Planning &
9 Development for the County of Santa Barbara. I'm the
10 manager of the County Energy Division. We serve in that
11 role on behalf of the unincorporated community. We also
12 serve as a contract staff agency on behalf of the City
13 of Goleta.

14 One of the things that I've had the
15 opportunity to observe since I have been here for the
16 last three and a half years -- actually, since I've
17 returned here, is that everything begins and ends with
18 leasing. Leasing defines both baseline as well as the
19 life cycle for CEQA purposes. You have only to read the
20 court cases that stem from the County of Santa Barbara
21 on the Trankeon Ridge lawsuit or the federal court case,
22 the recent one that the State of California entered into
23 against the federal government, California V. Norton, to
24 have an appreciation that we have an environmental duty
25 regarding leasing, and in particular regarding due

17-33

1 diligence of those leases.

2 Cal V. Norton in particular, and the decision
3 that comes from the -- both the lower court as well as
4 from the appellate court, talks specifically to
5 project-level alternatives analysis related to leasing.
6 Not programmatic. Project-level. Take a look at that.
7 It would benefit this community. It certainly would
8 benefit the decision makers that ultimately have to deal
9 with this.

17-34

10 Second point, 2013 versus January 1, 2016,
11 when the UCSB lease expires. What gives? How do you
12 equate that differential? How do you deal with the
13 whole of the action in terms of, again, CEQA baseline
14 and CEQA Life cycle?

15 Graphically, on my right hand, you have a
16 field of leases, California's leases currently with this
17 company, and you're looking at one lease over here
18 (indicating). If you do not extend this lease, you
19 strand these leases over here. How do you equate that?
20 How do you deal with that in this CEQA document?
21 And ultimately that's going to be the keynote or core
22 issue that comes before your decision makers and what
23 comes before us.

17-35

24 Predictability. An end game. Very
25 predictable end game. That's what I found these

1 communities are asking for, and that's something that
2 each CEQA document should be looking at.

3 When I turn to the Notice of Preparation, and
4 in particular Section 6.3.1, it reads -- and I have a
5 couple of observations and questions. "Under the no
6 project alternative, Venoco's lease would not be renewed
7 and the existing marine terminal would be abandoned in
8 place or removed."

17-36

9 How do you do that when you're stranding other
10 leases managed by your agency over here?

11 "A decision to remove or abandon the marine
12 terminal will be the subject of a subsequent application
13 to the California State Lands Commission and subject to
14 appropriate environmental review."

17-37

15 What does that mean? Does that mean 2016?
16 Does that mean 2013? What does that mean?

17 For the purposes of the EIR, potential impacts
18 of decommissioning are to be discussed only briefly.
19 Trankeon Ridge, Cal V. Norton changed the playing field.
20 You're looking at project-level, no longer programmatic.

17-38

21 The final issue, one of metering. My friends
22 at Venoco know how I feel about this particular issue,
23 because I believe that automated, on-board metering,
24 number one, lends itself to accountability; and more
25 importantly, lends itself to public credibility. How

17-39

1 are you going to deal with that issue and not have
2 automated, on-board metering, what's loaded, what's
3 unloaded? It will end a world of hurt to address that
4 issue.

5 Thank you.

6 MS. BRAND: Thank you, Steve.

7 Is there anybody else who would like to speak?

8 Okay. If not, Steve Jenkins has a few things
9 he'd like to say.

10 MR. JENKINS: Hi. I just wanted to thank you
11 for your comments -- they were very well thought out --
12 and request that when you do submit them, submit them
13 both in paper and in electronic form, if you wouldn't
14 mind. There's an E-mail address for Marina Brand on the
15 Notice of Preparation. That would greatly help us in
16 responding to your comments.

17 Also, as Marina indicated, you need not come
18 back at 7 o'clock and repeat this testimony. The fact
19 that you're on the record right now means that your
20 comments will be considered and they will be addressed.

21 So I, again, just wanted to thank you, as
22 well. Thank you.

23 MS. BRAND: Okay. So I would like to adjourn
24 the meeting till 7 o'clock tonight and also to let you
25 know that we will have an additional public meeting.

1 That will occur during the public review period for the
2 Environmental Impact Report. And at the moment we
3 anticipate that will be early sometime next year.

4 So thank you very much for coming. We really
5 appreciate your comments.

6 (4:55 P.M.)

7 ---oOo---

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1 GOLETA, CALIFORNIA; TUESDAY, AUGUST 3, 2004;

2 7:10 P.M.

3

4 ---oOo---

5

6 MS. BRAND: Okay. Good evening. I'd like to
7 open the public meeting and I'd like to welcome all of
8 you here for our scoping meeting for preparation of the
9 Environmental Impact Report for the Ellwood Marine
10 Terminal Lease Renewal.

11 My name is Marina Brand, and I'm a Staff
12 Environmental Scientist with the California State Lands
13 Commission.

14 I also have some other Commission staff here
15 with me tonight, Steve Jenkins, who's the Assistant
16 Division Chief for the Division of Planning and
17 Environmental Management; I have Mark Meier, from our
18 Legal Division; John Brown, from Marine Facilities; and
19 Jane Smith, from our Land Management.

20 We also have with us tonight --

21 Mike Edwards?

22 MR. EDWARD: Edwards, yes.

23 MS. BRAND: -- Mike Edwards from Venoco who
24 will be available to answer any questions you have about
25 the technical operations of the facilities. And then

1 last, we have Tamara Leckie from our Pacific Coast
2 Reporters, and she's going to be recording the meeting
3 for us.

4 So this is a public meeting. The intent is to
5 provide all of you an opportunity to comment on the
6 scope of the environmental document for this project.
7 We thank you for coming and we really appreciate the
8 interest that you're showing in the environmental review
9 process for the project.

10 Before going on any further, I'd like to
11 mention that we do have speaker slips on the table where
12 you entered. If you wanted to speak tonight, I need you
13 to fill one of those out and you can just bring them up
14 here to me. We also have a sign-in sheet that we'd
15 appreciate you filling out.

16 So, as I mentioned, we are interested or we
17 are here tonight to get your comments on the scope of
18 the environmental document. This document is being
19 prepared by California State Lands Commission as the
20 lead agency under the California Environmental Quality
21 Act. Other agencies will also be using this document as
22 they review the project, and these include, for example,
23 the Energy, Planning and Air Pollution Control Districts
24 for the County of Santa Barbara, the California Coastal
25 Commission, the Department of Fish & Game, the

1 California Coastal Conservancy and Planning &
2 Environmental Services for the City of Goleta.

3 The testimony that we're interested in
4 receiving tonight involves potential impacts of the
5 project, significance criteria that will be used to
6 judge those impacts, mitigation measures and also
7 potential alternatives to the project. And these will
8 be ones that we -- that you would like to see in the
9 Environmental Impact Report. And we would also
10 appreciate it, therefore, if you would limit your
11 testimony to those issues.

12 On the table, as you came in the door, there
13 are also copies of the Notice of Preparation. If you
14 haven't received one, then please feel free to take one
15 of those. In that NOP, the Commission staff discusses
16 the potential impacts of the project, significance
17 criteria, as well as potential alternatives to the
18 project that we are addressing in the EIR.

19 We would appreciate hearing from you
20 information regarding potential impacts, significance
21 criteria, mitigation measures and alternatives to the
22 project, but not that are already -- or not already
23 mentioned in the NOP.

24 The Notice of Preparation was submitted to the
25 State clearinghouse on July the 14th, and that initiated

1 a 30-day public review period. We also published it --
2 the notice of the Notice of Preparation in the Valley
3 Voice on July 16th and in the Santa Barbara News Press
4 on July 20th. It's also posted on our Commission
5 website, which is www.slc.ca.gov.

6 We are accepting your oral comments tonight,
7 as well as written comments, and what we are hoping or
8 expecting is that we need to receive those comments by
9 August 13th. That is the close of the 30-day public
10 review period. Once we've received all those comments,
11 we will be giving them to the EIR consultant, and they
12 will be used in preparation of the environmental
13 document.

14 So up to this point, are there any questions?

15 David.

16 MR. SANGSTER: Just a quick question. You say
17 the potential impacts to the project. I mean, this is
18 an existing project. Are we supposed to also include
19 existing impacts and, you know, existing safety concerns
20 from the public? How does that really -- those two
21 issues fold into, you know, potential impacts?
22 "Potential" implies something in the future; right?

23 MR. JENKINS: Yeah. I think that -- this is
24 Steve Jenkins, and that was Dave --

25 MR. SANGSTER: Sangster.

18-1

1 MR. JENKINS: -- Sangster who just spoke.

2 We are not going to in any way direct you or

3 encourage you to provide comments on any particular

4 topic or in any particular way. The Environmental

5 Impact Report will analyze the potential impacts of the

6 project, but it also has to analyze the existing

7 conditions out there. So if you have information that

8 you can present to us that you feel represents the

9 existing conditions as it exists right now, we would

10 appreciate receiving that.

11 MS. BRAND: Are there any other questions?

12 Okay. The next thing I'd like to do, then, is

13 to briefly describe the project. The applicant for this

14 project is Venoco, Incorporated, and what they're

15 wishing to do is to renew their lease for an additional

16 ten years, and that would take the lease then through

17 February 28, 2013. Renewal of that lease would allow

18 them to continue the operation of the Ellwood Marine

19 Terminal, which is a crude oil marine loading terminal

20 and has associated storage facilities.

21 The marine terminal handles all the oil that's

22 produced from the South Ellwood Field. And oil is

23 transported from Platform Holly, which is located in

24 State waters, through a subsea pipeline to the Ellwood

25 Onshore Facility, where it is processed. From there it

1 is sent through Pipeline No. 96 to storage tanks
2 associated with the marine terminal. From there, then
3 it is pumped to the barge, to be loaded for transport.
4 The barge loads at a rate of about 4,200 barrels per
5 hour, and it has -- the barge has a maximum capacity of
6 56,000 barrels.

7 Typically what Venoco does is they load the
8 barge two to three times a month, and they -- with
9 55,000 barrels of oil. The barge then transports the
10 oil to refineries that are located in the Port of Los
11 Angeles. We have both onshore and offshore facilities
12 associated with the marine terminal.

13 The offshore facilities are located about
14 2,600 feet from shore in 60 feet of water, and it
15 consists of a six-point mooring system, which are
16 basically six buoys, two additional buoys, a 10-inch
17 diameter marine loading pipeline that extends from the
18 mooring system to the beach and an 8-inch diameter
19 rubber hose which is 240 feet long that connects to the
20 offshore end of the pipeline.

21 The onshore facilities consists of a 12-inch
22 pipeline that connects to the 10-inch pipe, and then it
23 extends from there to the onshore facilities, which are
24 public. There are two storage tanks, which are
25 65,000-barrel capacity each, there's a pump house, a

1 10,000-barrel fire water tank and a 2.375-inch diameter
2 water supply pipeline.

3 The State Lands Commission's leasing
4 jurisdiction extends from the mooring system, which is
5 2,600 feet offshore, to the ordinary high water mark.
6 Our regulatory jurisdiction extends all the way to the
7 first valve located outside the containment area for the
8 storage tanks. We believe that the storage tanks are an
9 integral part of the marine terminal operation, so the
10 Environmental Impact Report will address the facility --
11 all the facilities, their operation and transport of the
12 oil by barge to ports in Los Angeles.

13 Are there any questions at this point? And
14 I'd like to mention that Steve Greig, in addition to
15 Mike Edwards, is here to answer any questions you might
16 have.

17 Yes.

18 MS. MASSEY: My name is Barbara Massey, for
19 the record. I am curious, will you also be addressing
20 Line 96?

21 MS. BRAND: It's not our intent to address
22 Line 96 as part of this project.

23 Yes.

24 MS. FRISK: Hi. Carla Frisk. I was -- looked
25 at the staff report earlier. And the question I had

1 was: Are you looking at only the existing use of three
2 barges a week -- or is it a month? -- three a month or
3 are you looking -- I don't know. I didn't find anywhere
4 if it had a specific permitted capacity, existing number
5 of trips per month that's currently permitted. So are
6 we looking at just what's currently going on now or --

7 MS. BRAND: It's my understanding that Venoco
8 is not asking for any increase in their current
9 activity. So we are looking at what's going on now.

10 Is that -- "No"?

11 MR. GREIG: We're looking --

12 MS. FRESNO: So I guess the comment would be,
13 there should be conditions on the lease, if it's -- if
14 it is extended, to limit that.

15 MS. BRAND: Okay.

16 MS. FRESNO: I don't even know if there's an
17 existing permitted capacity.

18 MR. JENKINS: Yeah. Carla, that's a comment.
19 As far as a clarification, the limitations on operations
20 will be reflected in the project description for the
21 Environmental Impact Report. So whatever -- and we have
22 not defined specifically what the project is right now
23 as far as a detailed project description for the level
24 of detail that would be necessary for the Environmental
25 Impact Report. We will be doing that. And once that

1 project description is identified, then that will be the
2 limitation.

3 MS. BRAND: Are there any other questions?

4 Okay. If not -- oh.

5 MS. COX: You said that Line 96 was not going
6 to be addressed, but you are talking about the EMT and
7 Venoco. You need to be talking about the EOF, Line 96,
8 EMT, that whole -- all is one single thing connected.

9 MS. BRAND: Well, we are bound by our
10 jurisdiction, and our jurisdiction is the marine
11 terminal. It's not the onshore facility.

12 MS. COX: So we cannot discuss anything about
13 that?

14 MR. JENKINS: Well, again, they can comment.

15 MS. BRAND: You can comment on that.

16 MS. COX: Okay. Good.

17 MS. BRAND: Definitely you can comment on
18 that.

19 MS. COX: Thank you.

20 MR. JENKINS: We're gonna have to -- it's hard
21 to hear, so it would be -- either real speak really loud
22 and state your name or come up to the microphone.

23 MR. GREIG: Steve Greig, with Venoco. My
24 understanding is the scoping hearing is just to address
25 the EIR for the marine terminal lease extension, which

18-4

18-5

1 is State Lands jurisdiction offshore. So there really
2 is no reason to comment nor should you accept comments
3 on anything outside of the jurisdiction.

4 MR. MEIER: Mark Meier, State Lands. We will
5 accept comments. Whether the response to the comment is
6 that it's not germane to the subject matter or not, we
7 could deal with that.

8 MR. GREIG: Thank you.

9 MR. MEIER: But I'd rather not limit the
10 comments at this stage.

11 MS. BRAND: Any other comments?

12 Okay. If not, then I want to open up the
13 public meeting.

14 Again, what we're looking for are comments on
15 potential environmental impacts, significance criteria,
16 mitigation measures and potential alternatives that are
17 not already discussed in the NOP.

18 And I'd also like to note that it's not
19 necessary for you to comment tonight. We are also
20 accepting written comments. We just need to receive
21 your comments by August the 13th.

22 The comments made today are being recorded, so
23 we would appreciate it that you step up to the mic and
24 that you also state your name and your address for the
25 record.

1 Okay. So Diane Conn.

2 MS. CONN: Hi. My name is Diane Conn, and I

3 represent Citizens for Goleta Valley. We're a

4 grass-roots organization that is deeply concerned about

5 comprehensive planning issues, and we have been tracking

6 and monitoring oil issues and oil production in the

7 county for 30 years. We're now 30 years old. So --

8 although it hasn't been me the whole time. I'd be

9 totally gray then.

10 But, anyway, first I want to thank the State

11 Lands Commission for pushing for this Environmental

12 Impact Report and reviewing this lease. We know that

13 you have a lot on your plate right now, and we think

14 it's an important issue, but we know that that was a

15 decision you made and you pushed for that, and I'm

16 really grateful.

17 And I also want to thank you for having a

18 scoping hearing here in Goleta, where the people

19 affected can come out and see you. We don't get to see

20 you that often 'cause your presence is mostly in

21 Sacramento, but I appreciate that.

22 I live in Isla Vista -- oh. Do you want me to

23 state my address? My address is 6765 Sabado,

24 S-a-b-a-d-o, Tarde, T-a-r-d-e, Isla Vista, I-s-l-a

25 V-i-s-t-a.

1 And, you know, I see Holly almost every day.
2 We're on intimate terms. I go to Sands Beach. I've
3 been a snowy plover docent. And every time that barge
4 pulls in, I think accident. It may not be rational,
5 sometimes it's subconscious, but that fear is always
6 there.

7 I was here in '98/'99, when there was this
8 spill and the releases, and I have experience with
9 Venoco's record, not only with Platform Holly and the
10 EOF, but just note for the record, they're supposed to
11 be in compliance with the Hot Spots legislation in July
12 2004, last month, and that still hasn't been completed.

13 So I know in the EIR -- I don't know in what
14 context you look at the record of the owner/operator,
15 but I think it's important to look at that in the
16 context of what we can expect.

18-6

17 So the first thing I would like to look at is:
18 What are the risks and what are the impacts of a
19 possible accident? I agree we've been fortunate. We
20 haven't had any major accidents. But, you know, what
21 happens? What happens in bad weather? What happens?
22 We have a single-hulled barge out there, and I'd like
23 that looked at. What about a double-hulled barge?

18-7

24 What happens if the barge becomes disconnected
25 with the tugboat? As I understand it, the barge cannot

18-8

1 steer itself. It's the tugboat it depends on. So what
2 would happen if they became disconnected? What's the
3 liability?

18-8,
cont.

4 What would happen in the event of an accident?
5 You know, they -- we hear, "Well, we have technology.
6 The cleanup equipment will clean everything up."

7 But we know that that doesn't happen. When we
8 had an accident at Platform Irene, the weather and the
9 conditions were such that they couldn't clean it up.

10 And due to a set of circumstances -- I recognize that
11 that's -- you know, is another owner/operator. But they
12 couldn't clean it up and the equipment couldn't clean it
13 up. So what are we faced with if we have an accident at
14 an area where we have snow plovers, least terns and a
15 number of other sensitive and endangered species? So
16 we're happy to say there are least terns nesting here
17 this year, so --

18-9

18 What is the current maintenance on the
19 pipeline and on the connection to the barge and on the
20 barge? And who checks that maintenance? And are they
21 currently using the best available technology? What
22 other upgrades could be looked at to make this operation
23 safer, more efficient, less likely to leak? And who
24 reviews the maintenance? Perhaps that's not an EIR
25 question. Perhaps that's something you can answer.

18-10

1 What would happen if the operator of the barge
2 overrides an emergency system? That happened at the
3 accident at Platform Irene. The operator -- I realize
4 it's a platform, but still we have operating systems,
5 supposedly something to tell us when something is
6 wrong. There was a leak, and the operator thought it
7 was a short and so he overrode it and didn't go check,
8 and so it, you know, leaked all night long. So, you
9 know, what happens if an operator overrides a system?
10 What -- how does that impact the safety and the whole
11 risk factor?

18-11

12 And, of course, we want to see a pipeline
13 alternative analyzed within the project area. You know,
14 what is that alternative? Is that environmentally
15 preferred and what would that mean for the safety of our
16 beach and our community?

18-12

17 Currently the siting of the APC station is
18 kind of over there (indicating) and they never seem to
19 pick up any odors or leaks from the barge operations.
20 The people at the beach do, especially if the wind's
21 blowing onshore. So I think we need to look at is the
22 siting of that station really the side to pick up any
23 odors? Is it giving us the information we want or do we
24 need to move it to another area so it can really detect
25 when there are discharges?

18-13

1 I think Cris Sandoval -- was she here earlier?
2 I think she lives out there and she regularly feels the
3 impacts of the odors when -- again, when the wind is
4 blowing onshore.

5 Oh, and I guess in response to Carla's
6 question, what would be the impacts of increased trips
7 or increased loading on the community? Would that, you
8 know, increase risk or pollution or other impacts? And
9 what are the impacts of the barge itself? I think it's
10 out there. Does it remain running or does it shut down?
11 Is it impacting our air pollution or does it -- any of
12 that keep its power on? What's kind of going on?

13 So I -- one of the great things about when a
14 project like this comes up is I recognize how little I
15 know about what happens when you load 55,000 barrels of
16 oil on a barge, but I looked forward to learning more
17 about it.

18 And thank you very much for your
19 consideration.

20 MS. BRAND: Thank you, Diane.

21 Tom Phillips.

22 MR. PHILLIPS: Hello. Good evening. My
23 name's Tom Phillips. I live at 442 Ribera Drive, that's
24 R-i-b, as in boy, e-r-a, Santa Barbara, 93111. I'm a
25 46-year resident of Santa Barbara. I have been surfing

1 since 1966, and I was a sophomore in high school when
2 Platform Mae blew out and leaked oil all over the coast.

3 It really scares me that this barge is out
4 here three times a month with the potential of that
5 happening again. I can't urge you enough to look at the
6 alternatives that are presented, you know, pipeline or
7 trucking or rail. There's got to be a better way than
8 risking another spill. And that's really all I have to
9 say.

18-15

10 Thank you very much.

11 MS. BRAND: Thank you, Tom.

12 Barbara Massey.

13 MS. MASSEY: Barbara Massey, 7912 Winchester
14 Circle, Goleta, 93117.

15 I have to admit that until this evening I have
16 not had a chance to look at your NOP. I will be
17 submitting written comments after carefully reading it.
18 But I have a couple of concerns in regard to the
19 project.

20 I hope you will seriously look at the
21 connection from the barge to the terminal, and
22 especially the 240-foot rubber hose has me concerned and
23 how often is it inspected, the quality of it, questions
24 like that. I also have long thought that the barges
25 coming -- or the barge coming to the terminal should be

18-16

18-17

1 double-hulled. I don't believe in transporting oil on
2 anything other than double-hulled. But I know it costs
3 some money and they hate to spend money.

18-17,
cont.

4 I'm concerned about both the tug's and the
5 barge's motor running while they're there loading and
6 unloading, and I hope you'll address those impacts.

18-18

7 And I will be submitting my written comments,
8 which will be more intelligent than these.

9 Thank you.

10 MS. BRAND: Thank you, Barbara.

11 Inge Cox.

12 MS. COX: Good evening. My name is Dr. Inge
13 Cox. I am a member of the CAC, representing the city of
14 Goleta at APCD, and I am also a physician, family
15 practice, working in Goleta. I have lived in Goleta for
16 21 years.

17 When you speak about the Ellwood Marine
18 Terminal, you have to think also about the Edward
19 Onshore Facility and Line 96. And you need to consider
20 the history. Venoco is a facility that is in legal
21 nonconforming use. In April 1999, an abatement order
22 was issued by APCD hearing board after numerous other
23 leases.

18-19

24 According to a status report from the Energy
25 Division dated April 28, '04, Venoco failed to operate

18-20

1 Line 96 leak detection system for approximately 170
2 days, from October the 13th, 2003, through April
3 the 1st, 2004. This is just recently. The Energy
4 Division staff discovered that a 24-hour fraud division
5 permit also was not functioning. Even if this is not an
6 area that you need to address to, I think you need to
7 deal with the context.

18-20,
cont.

8 I assume that the California State Lands
9 Commission has reports of all the incidents that have
10 happened at this facility. It has come to light that
11 this is frequently subjected to odor releases. You will
12 recall either the fire department or APCD, the response
13 time is sometimes so long that when they arrive one
14 cannot detect the odor any longer.

18-21

15 Complaints are not only from one person. I
16 strongly urge the California State Lands Commission to
17 take a look at the frequency of the complaints. I would
18 advise you to look at the 911 logs, APCD complaints,
19 fire department complaints.

20 Also what I would like to find out is, there
21 is a 240-foot long rubber hose. How often is this
22 rubber hose checked? Is it checked for leaks? When the
23 public reports odors, we are mostly being told that
24 we're dealing with odors of natural seeps. We know that
25 those seeps exist, but we also know the history of the

18-22

18-23

1 releases.

18-23,
cont.

2 Also, if there is an increase in carrying, the
3 levels of the nitrogen oxide is going to increase and
4 the carbon monoxide will increase, to approximately 2
5 tons of NOX and 12 tons of carbon monoxide. Please take
6 consideration of these, too.

18-24

7 What is going to happen if there is a fire in
8 the tanks in the Ellwood Marine Terminal? Do they have
9 enough water to deal with the fire? What if they end up
10 leaving? Can this happen in the facility? The tanks
11 contain 65,000 barrels of crude oil. What happens if
12 those burn?

18-25

13 Please think about all the people that are
14 living near the facilities. There is also -- there are
15 also schools and now the Ellwood Mesa is becoming a park
16 and the University's expanding their area and they're
17 going to be putting in more housing near that area and
18 there is going to be more housing near Venoco Ellwood
19 Onshore Facility.

18-26

20 Coal Point, near the area where the barge
21 lands, is an area where the snowy plover is. Most
22 likely you've heard about it. Take also consideration
23 about that.

18-27

24 I will make further comments in writing. I
25 wasn't able to look through the prior NOP, so I'm going

1 to stop here.

2 Thank you.

3 MS. BRAND: Thank you, Dr. Cox.

4 Carla Frisk.

5 MS. FRISK: Hi. My name's Carla Frisk and I
6 do some work with the organization Get Oil Out. I'm not
7 sure if someone was here earlier to testify formally on
8 their behalf, so if that's not the case, then I'll do
9 that. My address is 3340 Sagunto Street in Santa Ynez,
10 93460.

11 And I guess the first comment that we'd like
12 to make is that we're glad to see that we're now looking
13 at these lease renewal issues. This has been going for
14 the past ten years where this lease has been on a
15 month-to-month basis, and that's far too long.
16 Certainly some of these issues should've been looked at
17 ten years ago. But that's water under the bridge. So
18 we're glad to see that that is happening now.

19 I think there are two overarching issues that
20 really need to be looked at thoroughly. I think that
21 NOP talks about them and covers them. But I just want
22 to emphasize that we have an ancient infrastructure
23 there which not only includes the marine terminal, the
24 tanks, the pipelines, the hose, all of these items,
25 obviously includes the tanks onshore, which I understand

18-28

1 is not under the jurisdiction of State Lands, but it's
2 something that needs to be kept in line 'cause it is
3 part of the whole process of getting oil out to that
4 barge.

18-28,
cont.

5 There have been a lot of changes since then.
6 And so the other overarching issue that's covered in the
7 NOP is the risk of oil spill, not only from offshore, in
8 the marine environment, but also the possibility of
9 onshore -- an onshore spill with the pipeline.

18-29

10 As you probably know, that line went from
11 (inaudible) 421, did rupture many years ago. Now, I
12 know that's a separate issue, but it just does show
13 that those lines need to be checked.

14 Again, I don't think the public has really any
15 sense for how often the marine terminal's monitored, and
16 so that information about that and the pipelines are
17 checked would all be very helpful information to look at
18 for the next ten years, if the lease is renewed.

18-30

19 Again, I think -- my understanding is that
20 there will be some very specific language included in
21 the document that will indicate the exact capacity that
22 this -- to which this can be used. And whatever that
23 decision is to be, I think it should be clearly limited
24 in the conditions so the public is clear that there will
25 not be an increased use. Especially, again, with the

18-31

1 aging facilities that we have here.

2 There have been two really significant changes
3 that have occurred in the last -- since this was last
4 looked at in terms of the lease. One is what was
5 mentioned earlier, the Ellwood Mesa Project, which is a
6 project I'm also working on. It's coming to fruition
7 and is expected to be in public ownership by the end of
8 this year. That property -- while that property has
9 been used extensively by the public, the fact that it
10 will be in public ownership is going to increase its
11 public usage, in addition to the fact that housing is
12 proposed and some is being approved -- since Goleta
13 approved housing.

18-32

14 Nearby, the University is going to approve
15 additional housing. The County is poised to approve the
16 additional housing, which all of those residents are
17 likely to use those open spaces. And having been at
18 Ellwood Mesa when the barge is loading, you definitely
19 can smell it. So those impacts of these new uses in
20 that area need to be looked at.

18-33

21 In addition, as was mentioned in the NOP, we
22 have a snowy plover critical habitat. That critical
23 habitat comes all the way up in front of the Ellwood
24 Mesa property and is also -- well, that's a forging
25 area. The nesting area is primarily in front of the

18-34

1 Coal Oil Point Reserve, at the University of California
2 Santa Barbara. That's a very significant change that
3 has occurred in the recent past.

4 So I think some of the other speakers went
5 into a lot more detail, but those are the overarching,
6 larger issues I think that really need to be looked at
7 very, very carefully, especially from the perspective of
8 the risk of an oil spill.

9 And then obviously the last one being air
10 quality issues.

11 Thank you.

12 MS. BRAND: Thank you, Carla.

13 Now, that's all the speaker slips that I have.

14 Is there anyone else who would like to speak
15 that hasn't filled out a slip yet? No?

16 Okay. Then what I'd like to do is close the
17 public meeting. I want to thank all of you for coming.
18 As I said earlier, we really appreciate your interest in
19 the environmental aspects of this project. We will be
20 holding additional meetings. Those will occur during
21 the public review period of the Draft Environmental
22 Impact Report. At this time we anticipate those will be
23 sometime early next year.

24 So -- and then also, when you submit your
25 comments, if it's possible, we would really appreciate

1 if you could E-mail them to me. It's easier for us to
2 deal with them in electronic form than it is hard copy
3 these days. So with that, I'll close the meeting.

4 Thank you.

5 (7:45 P.M.)

6 ---oOo---

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REPORTER'S CERTIFICATE

STATE OF CALIFORNIA)
) ss.
COUNTY OF VENTURA)

I, TAMARA LECKIE, Certified Shorthand Reporter
for the State of California, hereby certify:

THAT the foregoing is a true and correct
transcript of the proceeding taken before me as thereon
stated.

IN WITNESS WHEREOF, I have hereunto Subscribed
my hand this ____ day of _____, 2004.

TAMARA LECKIE
Certified Shorthand Reporter
Certificate No. 8935

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REPORTER'S COPY CERTIFICATE

STATE OF CALIFORNIA)
) ss.
COUNTY OF VENTURA)

I, TAMARA LECKIE, Certified Shorthand Reporter
for the State of California, hereby certify:

THAT the foregoing is a true and correct copy
of the original transcript of the proceeding taken
before me as thereon stated:

IN WITNESS WHEREOF, I have hereunto Subscribed
my hand this _____ day of _____, 2004.

TAMARA LECKIE
Certified Shorthand Reporter
Certificate No. 8935

1 NOTICE OF PREPARATION OF
2 A DRAFT ENVIRONMENTAL IMPACT REPORT
3 AND NOTICE OF PUBLIC SCOPING MEETING
4
5 FILE NO. 65535
6 A P P E A R A N C E S:
7 For State of California:
 MARINA BRAND, Staff Environmental Scientist
8 JANE SMITH, Land Management Division
 JOHN L. BROWN, Supervisor, Field Office
9 MARK A. MEIER, Senior Counsel
 STEPHEN L. JENKINS, Assistant Division Chief
10 For Venoco:
 STEVE GREIG
11 MIKE EDWARDS
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Our File Number: 0X02-106900

August 13, 2004

BY EMAIL AND U.S. MAIL

Ms. Marina R. Brand
California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, California 95825

Re: Response to Notice of Preparation of DEIR for Offshore
Component of Ellwood Marine Terminal (CSLC EIR No. 730)

Dear Ms. Brand:

This firm represents Venoco, Inc. ("Venoco"), which owns the Ellwood Marine Terminal (the "Terminal"), consisting of onshore and offshore components. Venoco has received a Notice of Preparation of a Draft Environmental Impact Report and Notice of Public Scoping Meeting (the "NOP") dated July 14, 2004. The California State Lands Commission (the "SLC") has elected to prepare a Draft Environmental Impact Report ("Draft EIR") in connection with Venoco's exercise of its right to extend State Lease PRC 3904.1 (the "Lease"), pursuant to which the SLC has leased to Venoco the offshore area in which the offshore component of the Terminal is located. The improvements located in the leased offshore area consist solely of a six-point mooring system, two buoys, a ten-inch-diameter marine loading pipeline and a eight-inch-diameter, 240-foot long rubber hose (collectively, the "Offshore Improvements").

We appreciate the opportunity to respond to the NOP on behalf of Venoco. At the outset, however, we reiterate Venoco's belief that the preparation of the Draft EIR is improper because the extension of the Lease is categorically exempt from environmental review under the California Environmental Quality Act ("CEQA") pursuant to, among other things, the "Class I" categorical exemption set forth in Section 15301 of the State CEQA Guidelines (the "Guidelines").

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Our comments are set forth below and focus on the Notice of Preparation Scoping Document (the "Scoping Document") attached to the two-page NOP. However,

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some of the comments below are equally applicable to statements in the two-page NOP. The paragraph numbers below correspond to the paragraph numbers in the Scoping Document.

1. Project Objective. Section 1 implies that the SLC has the discretion to disapprove the extension of the Lease. However, as Venoco has advised you on numerous prior occasions, while the SLC has the right to impose reasonable new terms and conditions in connection with the extension of the Lease, Venoco has an unconditional right to extend the Lease for an additional period of 10 years.

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2. Project Location. This Section implies, and the description of the "Location" in the two-page NOP expressly states, that the "project" consists of both onshore and offshore components. That is incorrect. The onshore components of the Terminal (collectively, the "Onshore Improvements") are located outside the area subject to the Lease. Therefore, the environmental analysis in the Draft EIR should be limited to environmental impacts associated with the operation of the Offshore Improvements.

19-3

4. Description of Proposed Project. The last sentence in this Section states that the Draft EIR "will address EMT facilities and operations, including the transport of crude oil to Ports in Los Angeles." However, this exceeds the permissible scope of the Draft EIR. The area subject to the Lease does not include the Onshore Improvements, and the continued use of the Offshore Improvements would not result in any new or different environmental impacts associated with the Onshore Improvements. The SLC cannot use the extension of the Lease, which relates only to the limited Offshore Improvements, as a means to reevaluate the Onshore Improvements, which are unrelated to the Lease and outside the scope of the SLC's jurisdiction.

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In addition, the transport of crude oil is not limited to refineries in the Los Angeles area. Finally, the environmental analysis in the Draft EIR should not be based on the statement in Paragraph 4 that "Venoco typically loads a barge two to three times per month with 55,000 bbls of crude oil per load." Rather, the environmental analysis in the Draft EIR should be based on the maximum permitted throughput to the barge, which is 13,000 barrels per day.

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5. Permits and Permitting Agencies. This Section states that 10 different Federal, State and local agencies "have, or may have, approval or oversight over aspects of the proposed Project." We are confused by this statement because the "project" is limited to the SLC's renewal of the Lease, which, to our knowledge, does not

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require approval or oversight from any other public agency. This discussion should not be included in the Draft EIR.

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cont.

6.1 Potentially Significant Impacts to be Addressed in the EIR. While Venoco disagrees with the SLC on the likelihood of an oil spill occurring from the operation of the Offshore Improvements during the extension period and whether additional CEQA review should be required on that basis, Venoco understands that is the SLC's justification for preparing the Draft EIR. However, Section 6.1 also states that the SLC has determined that new environmental review under CEQA is also required because "other aspects of the project's operations could also have a significant effect on the environment." The Scoping Document then goes on to describe numerous other environmental impacts that will be analyzed in the Draft EIR, all of which involve the preexisting operation of the Offshore and/or Onshore Improvements and are part of the environmental baseline.

To our knowledge, SLC has never stated, either in prior documentation or discussions, that the Draft EIR would analyze environmental impacts unrelated to an oil spill. To the contrary, Venoco and the SLC previously agreed that the environmental baseline for the Draft EIR would be the existing permitted operation of the Offshore and Onshore Improvements. We also note that, in the December 3, 2002 letter from the Attorney General to Paul Thayer regarding the lease extension for the Shell Oil Marine Terminal (which the SLC has previously provided to Venoco), the Attorney General stated that the justification for a new EIR, and the reason the Class 1 categorical exemption did not apply to the renewal of that lease, was limited to the reasonable possibility of an oil spill during the lease extension period. Accordingly, the analysis in the Draft EIR should be limited to, at most, environmental impacts associated with an oil spill relating to the operation of the Offshore Improvements.

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6.1.1 Visual Resources/Light and Glare. The Draft EIR should not analyze visual impacts associated with the mooring of the barge and tugboat. These visual impacts relate to the ongoing operation of the Offshore Improvements, and are therefore part of the environmental baseline. In addition, the Class 1 categorical exemption applies with respect to that ongoing activity, and there is no reasonable possibility that such infrequent mooring would have a significant visual impact due to unusual circumstances.

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We also have several concerns regarding the proposed significance criteria for visual impacts. The first criterion is that the project is "inconsistent with public policies, goals, plans, laws, regulations or other directives concerning visual resources."

However, it is inappropriate to evaluate the consistency of the project with generic "goals" or "public policies". Any such analysis should be limited to consistency with legal requirements or formal policies in adopted plans that govern the Offshore Improvements.

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The second significance criteria is "routine operations and maintenance visually contrast with or degrade the character of the viewshed." This criterion is inappropriate because any visual impact would apparently be considered significant. It should be limited to activities that would substantially degrade the character of the viewshed.

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The third criterion is a "perceptible reduction of visual quality" based on "Visual Modification Classes". We cannot comment on this threshold because there is no explanation of the Visual Modification Classes.

6.1.2 Air Quality. The air quality analysis in the Draft EIR should be limited to air quality impacts associated with an oil spill. The other air quality issues discussed in this Section all relate to ongoing operations associated with the Onshore and Offshore Improvements, and are therefore part of the environmental baseline. In addition, the Class 1 categorical exemption applies with respect to these ongoing activities, and there is no reasonable possibility that these activities would result in significant air quality impacts due to unusual circumstances.

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For these reasons, the Draft EIR should not include an analysis regarding "odor events associated with the loading of the barge". However, in the event that the SLC nonetheless decides to include this type of analysis in the Draft EIR, the analysis should also include the investigation of other potential odor sources in the vicinity. We also note that Venoco is unaware of any complaint regarding odor events allegedly associated with the Offshore Improvements that has been documented by the Santa Barbara County Air Pollution Control District as attributable to the operation of the Offshore Improvements.

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6.1.2 Biological Resources. The biological analysis in the Draft EIR should be limited to biological impacts associated with an oil spill. In particular, the significance criteria should be limited to the context of an oil spill. The other biological issues discussed in this Section all relate to ongoing operations associated with the Offshore Improvements, and are therefore part of the environmental baseline. In addition, the Class 1 categorical exemption applies with respect to these ongoing

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6.1.7 Hydrology, Water Resources and Water Quality. The hydrology and water quality analysis in the Draft EIR should be limited to hydrology and water quality impacts associated with an oil spill. In particular, the significance criteria identified in this Section will be limited to the context of an oil spill. The other hydrology and water quality issues discussed in this Section all relate to ongoing operations associated with the Onshore and Offshore Improvements, and are therefore part of the environmental baseline. In addition, the Class 1 categorical exemption applies with respect to these ongoing activities, and there is no reasonable possibility that these activities would result in significant hydrology or water quality impacts due to unusual circumstances.

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6.1.8 Land Use, Planning and Recreation. The Draft EIR should not analyze the impact of the ongoing operations associated with the Onshore and Offshore Improvements on existing and planned uses in the area. These issues are unrelated to an oil spill and are part of the environmental baseline. In addition, the Class 1 categorical exemption applies with respect to these ongoing activities, and there is no reasonable possibility that these activities would result in significant land use impacts due to unusual circumstances.

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6.1.8 Noise. The Draft EIR should not analyze noise impacts associated with the project because no material noise impact would occur in connection with an oil spill. The issues discussed in this Section all relate to ongoing operations associated with the Onshore and Offshore Improvements, and are therefore part of the environmental baseline. In addition, the Class 1 categorical exemption applies with respect to these ongoing activities, and there is no reasonable possibility that these activities would result in significant noise impacts due to unusual circumstances.

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6.1.8 Fire Protection/Emergency (Oil Spill) Response. The significance criterion set forth in this Section is that the "continued operation of the project creates the need for one or more additional personnel to maintain the current level of fire protection and emergency responses services." We have two concerns regarding this significance criterion. First, it should be limited to the context of an oil spill, rather than the ongoing operation of the Onshore and Offshore Improvements. Second, the need for additional personnel is a social and economic impact, but not a physical environment impact. Pursuant to Section 15131(a) of the Guidelines, "[e]conomic or social effects of a project shall not be treated as significant effects on the environment." Section VIII(a) in

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Appendix G to the Guidelines includes a more appropriate significance threshold with respect to fire protection and emergency response service impacts:

"a. Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives"

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cont.

6.1.9 Vehicular and Rail Transportation. This Section properly states that the project would not have any significant transportation impacts. If the Draft EIR does analyze traffic impacts associated with one or more of the alternatives, the significance criteria should be modified to reference the alternatives rather than the project.

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6.1.10 Cultural Resources. We do not understand, nor does this Section explain, how an oil spill could impact an historical resource. In the absence of such justification, the Draft EIR should not discuss historical resource impacts associated with the project because no such impacts would occur in connection with an oil spill.

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6.1.11 Environmental Justice. The Draft EIR should not discuss environmental justice impacts for at least two reasons. First, an environmental justice impact is not a physical impact on the environment. Second, a consideration of environmental justice impacts is inappropriate with respect to the ongoing operation of an existing facility.

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6.2 Cumulative Projects. To the extent that the proposed cumulative analysis would focus on the potential for multiple oil spills associated with facilities comparable to the Offshore Improvements, that is within the scope of the Draft EIR. However, to the extent that this analysis would examine cumulative impacts unrelated to oil spills, that would be inappropriate for the reasons discussed above.

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6.3 Preliminary Listing of Alternatives to be Addressed in the EIR. This Section states that the Draft EIR will "provide a detailed explanation of why other alternatives were rejected from further analysis." Please note that, pursuant to Section 15126.6(c) of the Guidelines, the Draft EIR is only required to "briefly explain" while alternatives considered by the lead agency were not included in the Draft EIR.

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6.3.1 No Project/No Action Alternative. As discussed in Section 1, above, Venoco has an unconditional right to extend the Lease for an additional period of 10 years. Therefore, the No Project Alternative should be the continued operation of the Offshore Improvements.

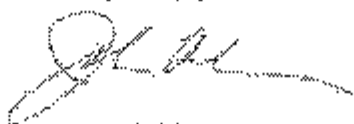
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6.3.2 Construct A New Pipeline Alternative. Based on the current scope of the operations associated with the Terminal, Venoco believes that the construction of a new pipeline as contemplated in Section 6.3.2 would be economically infeasible.

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We look forward to discussing these issues further with you.

Very truly yours,



Jack H. Rubens

for SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

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